

AMENDED IN ASSEMBLY MAY 19, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 650

Introduced by Assembly Member Wright

February 23, 1999

An act to amend ~~Section 398.5~~ of Sections 382 and 2790 of, and to add Section 327 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 650, as amended, R. Wright. ~~Retail electricity suppliers~~
Low-income electric and gas customers.

(1) Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would require the electric and gas corporations that participate in the CARE program to administer low-income energy efficiency and rate assistance programs as described. The bill would require the administrators of the program to undertake certain functions and would allow the commission to require these participating corporations to competitively bid, to the extent practical, service delivery components of these programs. The bill would require the bidding criteria to recognize specified factors, subject to commission modification. The bill would make conforming changes.

(2) Existing law requires the commission to require an electric or gas corporation to perform home weatherization services, as defined, for low-income customers, as determined by the commission.

This bill would revise the definition of “weatherization.”

~~The Public Utilities Act requires the State Energy Resources Conservation and Development Commission to issue a prescribed report that includes a comparison of the information made available by retail suppliers of electricity and certain generators of electricity pursuant to prescribed provisions of law. The act requires the State Energy Resources Conservation and Development Commission to submit a copy of the report to the Public Utilities Commission.~~

~~This bill would require the State Energy Resources Conservation and Development Commission to include in the report recommendations regarding the need for penalties to be imposed on retail suppliers that make false and misleading claims to consumers. The bill would also require the commission to submit a copy of the report to the Attorney General.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 398.5 of the Public Utilities Code~~
 2 *SECTION 1. Section 327 is added to the Public*
 3 *Utilities Code, to read:*
 4 *327. (a) The electric and gas corporations that*
 5 *participate in the California Alternative Rates for Energy*
 6 *program, as established pursuant to Section 739.1, shall*
 7 *administer low-income energy efficiency and rate*
 8 *assistance programs described in Sections 739.1, 739.2,*
 9 *and 2790. In administering these programs the electric*
 10 *and gas corporations, to the extent practical, shall do all*
 11 *of the following:*
 12 *(1) Continue to leverage funds described in*
 13 *subdivision (a) with funds available from state and*
 14 *federal sources.*

1 (2) Work with state and local agencies and with
2 community-based organizations to ensure efficient and
3 effective delivery of programs.

4 (3) Encourage local employment and job skill
5 development.

6 (4) Maximize the participation of eligible participants.

7 (5) Work to reduce consumers electric and gas
8 consumption, and bills.

9 (b) The commission may require the electric and gas
10 corporations described in subdivision (a) to
11 competitively bid, to the extent practical, service
12 delivery components of these programs. The bidding
13 criteria, at a minimum, shall recognize all of the following
14 factors:

15 (1) The bidder's experience in delivering programs
16 and services, including, but not limited to,
17 weatherization, appliance repair and maintenance,
18 energy education, outreach and enrollment services, and
19 bill payment assistance programs to targeted
20 communities.

21 (2) The bidder's knowledge of the targeted
22 communities.

23 (3) The bidder's ability to reach targeted
24 communities.

25 (4) The bidder's ability to utilize and employ people
26 from the local area.

27 (5) The bidder's ability to provide local job training.

28 (6) Other attributes that benefit local communities.

29 (c) Notwithstanding subdivision (b), the commission
30 may modify its bid criteria based upon public input from
31 a variety of sources, including representatives from
32 low-income communities and the program
33 administrators identified in subdivision (b), in order to
34 ensure the effective and efficient delivery of high quality
35 low-income energy efficiency programs.

36 SEC. 2. Section 382 of the Public Utilities Code is
37 amended to read:

38 382. (a) Programs provided to low-income
39 electricity customers, including, but not limited to,
40 targeted energy-efficiency services and the California

1 Alternative Rates for Energy ~~Program~~ program shall be
2 funded at not less than 1996 authorized levels based on an
3 assessment of customer need. The commission shall
4 allocate funds necessary to meet the low-income
5 objectives in this section.

6 *(b) The electric and gas corporations that participate*
7 *in the California Alternative Rates for Energy program*
8 *shall administer the programs described in subdivision*
9 *(a). In administering these programs, the electric and gas*
10 *corporations, to the extent practical, shall do all of the*
11 *following:*

12 *(1) Continue to leverage funds described in*
13 *subdivision (a) with funds available from state and*
14 *federal sources.*

15 *(2) Work with state and local agencies and with*
16 *community-based organizations to ensure efficient and*
17 *effective delivery programs.*

18 *(3) Encourage local employment and job skill*
19 *development.*

20 *(4) Maximize the participation of eligible participants.*

21 *(5) Work to reduce consumers electric and gas*
22 *consumption, and bills.*

23 *(c) The commission may require the electric and gas*
24 *corporations described in subdivision (b) to*
25 *competitively bid, to the extent practical, service*
26 *delivery components of these programs. The bidding*
27 *criteria, at a minimum, shall recognize all of the following*
28 *factors:*

29 *(1) The bidder's experience in delivering programs*
30 *and services, including, but not limited to,*
31 *weatherization, appliance repair and maintenance,*
32 *energy education, outreach and enrollment services, and*
33 *bill payment assistance programs to targeted*
34 *communities.*

35 *(2) The bidder's knowledge of the targeted*
36 *communities.*

37 *(3) The bidder's ability to reach targeted*
38 *communities.*

39 *(4) The bidder's ability to utilize and employ people*
40 *from the local area.*

1 (5) *The bidder's ability to provide local job training.*

2 (6) *Other attributes that benefit local communities.*

3 (d) *Notwithstanding subdivision (c), the commission*
4 *may modify its bid criteria based upon public input from*
5 *a variety of sources, including representatives from*
6 *low-income communities and the program*
7 *administrators identified in subdivision (b) in order to*
8 *ensure the effective and efficient delivery of high quality*
9 *low-income energy efficiency programs.*

10 SEC. 3. *Section 2790 of the Public Utilities Code is*
11 *amended to read:*

12 2790. (a) The commission shall require an electrical
13 or gas corporation to perform home weatherization
14 services for low-income customers, as determined by the
15 commission under Section 739, if the commission
16 determines that a significant need for those services exists
17 in the corporation's service territory, taking into
18 consideration both the cost effectiveness of the services
19 and the policy of reducing the hardships facing
20 low-income households.

21 (b) (1) For purposes of this section, "weatherization"
22 ~~includes~~ *may include*, where feasible, any of the following
23 measures for any dwelling unit:

24 (A) Attic insulation.

25 (B) Caulking.

26 (C) Weatherstripping.

27 (D) Low flow showerhead.

28 (E) Waterheater blanket.

29 (F) Door and building envelope repairs ~~which~~ *that*
30 *reduce air infiltration.*

31 (2) The commission shall direct any electrical or gas
32 corporation to provide as many of these measures as are
33 feasible for each eligible low-income dwelling unit.

34 (c) "Weatherization" may also include other building
35 conservation measures, energy-efficient appliances, and
36 energy education programs determined by the
37 commission to be feasible, taking into consideration *for all*
38 *measures* both the cost effectiveness of the measures *as*
39 *a group* and the policy of reducing the hardships facing
40 low-income households.

1 is amended to read:

2 398.5. (a) Retail suppliers that disclose specific
3 purchases pursuant to Section 398.4 shall report on March
4 1, 1999, and annually thereafter, to the State Energy
5 Resources Conservation and Development Commission,
6 for each electricity offering, for the previous calendar
7 year each of the following:

8 (1) The kilowatthours purchased, by generator and
9 fuel type during the previous calendar year, consistent
10 with the meter data, including losses, reported to the
11 system operator.

12 (2) For each electricity offering the kilowatthours sold
13 at retail.

14 (3) For each electricity offering the disclosures made
15 to consumers pursuant to Section 398.4.

16 (b) Information submitted to the State Energy
17 Resources Conservation and Development Commission
18 pursuant to this section that is a trade secret as defined in
19 subdivision (d) of Section 3426.1 of the Civil Code shall
20 not be released except in an aggregated form such that
21 trade secrets cannot be discerned.

22 (c) The State Energy Resources Conservation and
23 Development Commission shall specify guidelines and
24 standard formats, based on the requirements of this
25 article and subject to public hearing, for the submittal of
26 information pursuant to this article.

27 (d) In developing the rules and procedures specified
28 in this section, the State Energy Resources Conservation
29 and Development Commission shall seek to minimize the
30 reporting burden and cost of reporting that it imposes on
31 retail suppliers.

32 (e) On or before October 15, 1999, and annually
33 thereafter, the State Energy Resources Conservation and
34 Development Commission shall issue a report comparing
35 information available pursuant to Section 398.3 with
36 information submitted by retail suppliers pursuant to this
37 section, and with information disclosed to consumers
38 pursuant to Section 398.4. The State Energy Resources
39 Conservation and Development Commission shall
40 include in the report recommendations regarding the

1 ~~need for penalties to be imposed on retail suppliers that~~
2 ~~make false and misleading claims to consumers. The~~
3 ~~report shall be submitted to the Public Utilities~~
4 ~~Commission and the Attorney General.~~

5 ~~(f) Beginning April 15, 1999, and annually thereafter,~~
6 ~~the State Energy Resources Conservation and~~
7 ~~Development Commission shall issue a report calculating~~
8 ~~net system power. The State Energy Resources~~
9 ~~Conservation and Development Commission will~~
10 ~~establish the generation mix for net generation imports~~
11 ~~delivered at interface points and metered by the system~~
12 ~~operators.~~

13 ~~(g) This section does not apply to generators~~
14 ~~providing electric service on site, under an~~
15 ~~over the fence transaction as described in Section 218, or~~
16 ~~to an affiliate or affiliates, as defined in subdivision (a) of~~
17 ~~Section 372.~~

18 ~~(h) The State Energy Resources Conservation and~~
19 ~~Development Commission may verify the veracity of~~
20 ~~environmental claims made by retail suppliers. In~~
21 ~~addition, notwithstanding Section 7550.5 of the~~
22 ~~Government Code, the State Energy Resources~~
23 ~~Conservation and Development Commission, in~~
24 ~~conjunction with the State Air Resources Board and~~
25 ~~affected air districts, shall issue a report to the Legislature~~
26 ~~by June 1, 1999, assessing the air emission effects of~~
27 ~~electric utility restructuring.~~